

PROCEEDINGS OF THE BROWN COUNTY
ADMINISTRATION COMMITTEE

Pursuant to Section 19.84 Wis. Stats., a regular meeting of the **Brown County Administration Committee** was held on Thursday, June 26, 2014 in Room 200, Northern Building, 305 E. Walnut Street, Green Bay, Wisconsin.

Present: Chair Fewell, Supervisor Schadewald, Supervisor Steffen, Supervisor De Wane
Excused: Supervisor Jamir
Also Present: Dale Schmit, Marty Adams, Mary Reinhart, Chuck Mahlik, Brent Miller, Chad Weininger, Supervisor Van Dyck, Maria Lasecki, August Neverman

I. Call to Order.

The meeting was called to order by Chair Steve Fewell at 5:30 p.m.

II. Approve/Modify Agenda.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve. Vote taken.
MOTION CARRIED UNANIMOUSLY

III. Approve/Modify Minutes of May 29, 2014.

Motion made by Supervisor De Wane, seconded by Supervisor Steffen to approve. Vote taken.
MOTION CARRIED UNANIMOUSLY

Comments from the Public. None.

1. Review Minutes of:

- a. **Housing Authority Annual Meeting (May 19, 2014).**
- b. **Northeastern Wisconsin CDBG – Housing Region Committee (February 4, 2014).**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file Items 1a & b. Vote taken. MOTION CARRIED UNANIMOUSLY

Communications

2. Communication from Supervisor Van Dyck re: Require Department Heads to seek Corporation Counsel opinion and approval before engaging outside legal counsel. *Referred from June County Board.*

Supervisor Van Dyck advised the Committee that he put this communication in to seek that all department heads obtain approval from Corporation Counsel before going to outside counsel. This is in direct relation to the Highway Department seeking outside counsel for the asphalt plant contract. It is Van Dyck's understanding that staff is currently addressing this and is in the process of changing requirements for outside counsel.

Director of Administration Chad Weininger reported that County Executive Troy Streckenbach is currently looking at a policy change that would require Corporation Counsel to approve any outside legal counsel even though there may be statutory authority to enter into an agreement to make sure that any long-term liabilities are taken care of.

Chair Fewell felt that would make sense and if there is an administrative policy in place, there should not be any further problems. He also noted that when outside legal counsel is retained there are often debates as to what budget will cover the fees. One of the reasons this was looked at in the past was to have a better handle on what legal fees were overall through the County.

De Wane stated he would like to see this move forward and he appreciated Van Dyck bringing this communication to the Committee. He would like to see a decision made on this tonight rather than having it sent back to staff.

Fewell noted that the policy is being created by the administration. Weininger stated that Corporation Counsel has made the amendments to take care of what Supervisor Van Dyck wanted and those changes will be codified and brought to the County Executive and the internal policy will then be changed so that what happened with the asphalt plant will not happen again.

Supervisor Schadewald said that his understanding is that this is going to have to be done through administrative staff because even if the Committee wanted to do something it would have to be referred to Corporation Counsel to see who has statutory access.

Weininger responded that what they are working on does take into account the statutory authority and basically creates an internal policy that says it would be necessary to go through Corporation Counsel before seeking outside counsel as well as talking to the Risk Department to ensure that there is no long-term liability to the County. These changes will be presented to the County Executive for signature and then the policy would go into effect.

Schadewald stated he would like to see all County Board supervisors review the internal policy so they are aware of the policy prior to the July meeting. Weininger indicated that administration could provide the changes to the full Board and then postpone this matter to give the Board a chance to review them.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to hold for one month and have the document presented to the County Board for review. Vote taken. MOTION CARRIED UNANIMOUSLY

Budget Adjustments Requiring Administration Committee Approval

3. **Budget Adjustment Request (14-44): Human Resources – Transfer funds to cover 1st quarter sick leave for retirees.**

This budget adjustment is to transfer funds to cover the first quarter sick leave for retirees. These funds are budgeted in the Human Resources salary reimbursement account but paid for out of the retiree's appropriate department salary account. Funds are transferred to the appropriate department salary account along with the applicable transfer in/out.

Human Resources Director Brent Miller stated that in the past this was done on an annual basis, however, it is now being done on a quarterly basis.

Motion made by Supervisor Steffen, seconded by Supervisor Schadewald to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

4. **Budget Adjustment Request (14-46): Sheriff - Transfer Arson Task Force funds to Investigative Outlay for purchase of replacement ATF vehicle.**

This budget adjustment is a request to transfer Arson Task Force (ATF) funds budgeted in Investigative Contracted Services to Investigative Outlay for the purchase of a replacement ATF vehicle. The current vehicle has a history of mechanical problems and is not cost-effective to repair. A used vehicle has been located that can serve as a replacement. A carry-over of \$7,432 from 2013 plus the use of \$2,568 in the 2014 adopted budget will be utilized for this replacement vehicle purchase.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

5. **Budget Adjustment Request (14-49): Human Services – Transfer funds from wage and fringe to contract services to fill two positions through temp agency vs. hiring full time employee knowing positions would be eliminated when Family Care is enacted.**

Rather than hire people to fill the vacant positions in the budget for Clerk IV/Data Control and Clerk IV contracted services have been retained for the two positions through SEEK with the assistance of the Human Resources department. HR elected to fill the vacancies through a temp agency due to the likelihood that these positions will be eliminated once Family Care is enacted. Hiring through SEEK rather than full-time employees, knowing that these positions will likely be eliminated, produces a cost saving benefit to the County in reduced benefits.

Miller stated that approximately 59 people will be affected by Family Care and they are trying to do internal postings whenever possible. It is hoped that the affected social workers will be absorbed through care management. An RFP has been put out and they are trying to coordinate some social workers and vacant positions are being refilled from the temp agency rather than hiring permanent employees that may possibly be released.

Schadewald asked if the County is paying the temporary agency the same wage as County employees. He indicated that typically there is a cost savings with temporary employees but he noted that the transfer in and the transfer out are exactly the same amount of money. Miller clarified that they are transferring in to contracted services from a salary line and Fewell noted that it was possible the entire transfer would not be spent but it was necessary to transfer from one line to another line. It was noted that there may be cost savings from benefits.

Fewell noted that the numbers contained in the budget adjustment should be cleaned up before the County Board meeting to avoid questions and provide a better understanding of what is happening. Schadewald stated that he understood the process from an accounting standpoint, but he wants everyone to understand that there may be cost savings from hiring the temporary employees. De Wane felt the staff should report back if there are any savings. Miller also noted that as this moves along, HR may come back to the Committee asking for more temps. Steffen opined that hiring from the temporary agency was an incredibly appropriate move and he was in favor of it.

Motion made by Supervisor Steffen, seconded by Supervisor De Wane to approve. A friendly amendment was made by Supervisor De Wane to add that staff report back if there are any cost savings. Vote taken. MOTION CARRIED UNANIMOUSLY

Corporation Counsel

6. **Monthly Report for May, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Supervisor Steffen was excused at 5:51 pm.

Treasurer

7. **Budget Status Financial Reports for the months of April & May, 2014.**

Deputy Treasurer Mary Reinhard advised the Committee that the Treasurer's office has implemented a new method for allocation of investment interest to departments. She noted that through May they have had a positive market value investment. She continued that as rates rise, market values go down. She stated that it is difficult when the market fluctuates and they have to make adjustments and noted that there could possibly be a budget shortfall of \$475,000. This is more fully explained in the handout provided, a copy of which is attached.

Financial Specialist Chuck Mahlik explained the impact of the new allocation method as shown on the handout. He noted that Countywide the money is still there, it is just allocated to different departments.

De Wane asked why the Treasurer's Office made the changes they did if the previous method was working. Mahlik responded that the Treasurer's Office had completed their budget before this method was enacted and they did not know that this method would be used. The directive to use this method came from Finance and the idea was because resource recovery had more funds that were invested out longer term that they should get a share of the return on the investments commensurate to the time they had the investments out there.

Schadewald stated that with the change that was recommended by Finance, the Treasurer will take the amount and allocate it to other departments so for this year's budget it will not look so great for the Treasurer's office, but overall the treasury amount was close to target. Mahlik agreed. Schadewald stated that the other departments will have to increase their interest amount and the Treasurer's office will have to decrease their interest amount in the upcoming budget year and Mahlik agreed with this as well.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

8. Treasurer's Financial Report for the month of April, 2014.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

9. Interim Treasurer's Report.

Reinhard indicated that the tax deed sales will be advertised the next three Sundays in the newspaper. Fewell asked if these properties were posted online and Reinhard indicated that they were and could be found under a link on the Treasurer's Department website. Photos of the properties also appear online.

Reinhard continued that she had recently attended a conference and she learned that some counties are using Wisconsin Surplus to handle their tax deed sales and she wished for the Committee's feedback on this. The process is that Wisconsin Surplus lists the properties, including the minimum bid and then bids are made online, somewhat similar in fashion to E-Bay. When the bidding closes, the highest bidder is awarded the property. Reinhard continued that Wisconsin Surplus would reach a larger audience than just advertising these properties in the local newspaper. A class 3 notice would still be required; however, the notice would be much shorter.

Schadewald asked if it would be possible to advertise in the local newspaper to allow Brown County residents to bid on the properties and then, if they were not sold, putting them out on Wisconsin Surplus. Reinhard indicated that that would not be possible.

Reinhard felt that it was important to use technology when and where you can. Using Wisconsin Surplus would alleviate the Committee having to go through the bids at a meeting. Reinhard indicated that the sales would be handled under the old format this year, but Wisconsin Surplus could be looked at for next year.

Lasecki stated that she had bid on a tax deed property last year but lost because she was conservative with her bid and did not understand the process. She stated that she would have gone significantly higher than the winning bid had she known what that bid was. She felt that using Wisconsin Surplus could be a revenue generator for the County and that seeing bids as they are generated would allow someone to decide if they wished to make a higher bid.

Reinhard stated that Wisconsin Surplus adds their fee to the amount due from the buyer along with \$30.00 for the recording fee for the Register of Deeds.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Child Support

10. **Budget Status Financial Report for May, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

11. **Agency Director Summary for June, 2014.**

Lasecki was happy to report that the grant program now has an employment rate of 60%.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Technology Services

12. **Monthly Report for June, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Department of Administration

13. **Administration Budget Status Financial Report for May, 2014.**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

14. **2014 Budget Adjustment Log.**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

15. **Director's Report.**

Director of Administration Chad Weininger provided a written Director's Report that was contained in the agenda packet. He referenced the contract listing for products and services as he felt that this was helpful information. He also referenced the quarterly report which shows how the County is doing as a whole.

A discussion was held with regard to the awards for the budget and the CAFR. Weininger noted that approximately \$1,300 was paid to receive these awards and he wanted to know how the Committee felt about this. Schadewald asked if this would have any effect on our bond rating and Weininger responded that it would not. De Wane indicated that he would be agreeable to not spending the money on these awards and it was Weininger's recommendation that they do not apply for the awards in the future.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Human Resources

16. Budget Status Financial Report for April and May, 2014.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

17. Discussion re: Mileage reimbursement rate for Health Department Sanitarians. *Referred from Human Services Committee.*

Fewell asked if Miller had a financial impact for this. Miller responded that the financial impact he has prepared includes all departments except Human Services. He noted that they must go through every single employee's monthly expense sheet line item by line item to separate out the mileage. He also noted that the mileage for Human Services is about \$128,000 for 500+ employees.

Miller continued that at the Human Services Committee meeting the previous night he reported that the difference in paying the sanitarians 100% of the IRS rate as opposed to 80% of the IRS rate would amount to \$1,891. Miller continued that with the departments they have calculated so far the amount would be \$4,535.70. Miller stated that the 80% rate was set by the County Board and is contained in a County ordinance.

Miller continued that one of the sanitarians brought this issue forward at the County Board because under the Sheriff's Department contract, the officers get paid 100% of the IRS rate for mileage when they have to travel from the main office to fill in for officers in duty locations other than their normal duty locations. Miller also noted that the sanitarians are not under contract and are paid the 80% of the IRS rate under the ordinance that was put in place in August, 2011.

Weininger suggested that this matter be held for a month for solid figures for the actual fiscal impact on the budget and then see if the Board wishes to make an ordinance change which, he noted, can only be done by the County Board.

Fewell indicated that he does not have a problem with the \$4,535.70 figure mentioned earlier, however, once the Human Services figures are calculated that figure will increase.

Schadewald wanted to know why this is even being discussed if the ordinance was passed. Weininger indicated that at the Human Services Committee held the previous night it was indicated that if a change was to be made, it should be made across the board and not only for the sanitarians. He also noted that Supervisor Haefs was in favor of all employees receiving 100% mileage reimbursement. Weininger noted that the actual costs would be available for the next Executive Committee meeting and a decision can then be made if the Board desires to change the ordinance.

De Wane asked the sanitarians for clarification on how their mileage is determined. Sanitarian Marty Adams indicated that prior to Act 10 their contract stated that they would be paid the IRS rate. After Act 10 everything was wiped out. He indicated that he has to have a vehicle available at all times. He noted that today he visited four separate businesses in the County using his own vehicle. He stated that he puts on mileage every single day and that they are looking at a cost of \$4,500 for the County overall, but noted that six employees bear \$2,000 of that cost. He continued that he has worked for the County for 20 years and has put on over 70,000 miles doing County business. He stated that he is being paid 80% of what private business is being paid; however, Fewell disagreed and noted that many private employers do not pay the IRS rate.

De Wane asked for further clarification on the mileage. Adams responded that most days he drives his vehicle to the office at his own cost. When he gets called to a location other than the office from home, he calculates mileage from home to the site. When he leaves the office to go to locations elsewhere, he calculates mileage for things such as license issues, odor issues and many other issues. All the sanitarians are asking is to be paid what employees in the Sheriff's Department are paid as well as what private business is allowed to deduct as a tax expense.

Fewell noted that there are a number of employees that work in the County that do not get mileage reimbursement at the federal IRS rate. Schadewald stated that the County Board passed an ordinance to pay 80% after Act 10 went into effect. The County Board was not saying that they want to cut the employees reimbursement by 20%. Fewell noted that as long as he has been associated with the County the mileage reimbursement rate has never been at the federal rate. Schadewald felt employees who use their personal vehicles for County use should be reimbursed at the full IRS rate. He would like to see the fiscal impact for all County employees before a final decision is made. Fewell also noted that the IRS rate is a moving number that changes from time to time.

Sanitarian Dale Schmit stated that when the IRS rate is talked about, there seems to be some confusion as the County Code says the "optimal" rate, while the IRS code says "optional" rate. Schmit felt that this may be a typographical error in the Code that was not caught and indicated that when an employer chooses the option of not paying the IRS rate, they can calculate wear and tear on the vehicle as well as gas and other expenses. Schmit wondered if when the County Board set the 80% they figured it was the optional rate.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to refer to Executive Committee with appropriate fiscal impact numbers. Vote taken. MOTION CARRIED UNANIMOUSLY

18. **Director's Report.**

Miller indicated that three unions have not been recertified.

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

County Clerk – No agenda items.

Other

19. **Audit of bills.**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to pay the bills. Vote taken. MOTION CARRIED UNANIMOUSLY

20. **Adjourn.**

Motion made by Supervisor De Wane, seconded by Supervisor Schadewald to adjourn at 6:25 p.m. Vote taken. MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

Therese Giannunzio
Recording Secretary

Treasurer Notes 6-26-14

- We have recently implemented a new method for allocating investment interest to departments. These changes will adversely affect our interest revenue totals. As a result, total allocations to departments will increase from \$212k to \$545k, a difference of \$333k.
- If interest rates remain the same as the beginning of the year, our interest totals will be short by (\$437k). Through the first part of this year, however, we have benefitted from falling rates. If rates remain at 3/31/14 levels at year-end, we would end the year with only a (\$150k) shortfall. There is an outside possibility that we could reach our budgeted target of \$938k if rates would continue to fall. Down the road, however, rates are expected to rise and negative market value adjustments will be the norm.
- On average, approximately \$80 million needs to be kept liquid (less than 1 year) to pay our bills throughout the year. The additional \$70 million can be taken out longer term.
- The investments we have managed outside are yielding an average of 0.63% over the past year, while the investments we have managed ourselves, are yielding an average of 1.34%.

PORTFOLIO SUMMARY

<u>Investments</u>	<u>Average Balance</u>	<u>Yield</u>	<u>Annual Interest</u>
Short-Term (Less than 1 Year)	80,000,000	0.30%	240,000
Long-Term (3 Year Avg Maturity)	70,000,000	1.15%	805,000
Investments	150,000,000	0.70%	1,045,000

<u>Interest Allocations to Other Depts</u>	<u>Average Balance</u>	<u>Alloc Rate</u>	<u>Annual Interest</u>
Resource Recovery	20,000,000	1.50%	300,000
Other Departments	35,000,000	0.70%	245,000
Total Allocations	55,000,000		545,000

Treasurer's Interest (Interest Less Allocations)	500,000
Treasurer's 2014 Budgeted Interest	937,500
Treasurer's Projected Shortfall*	(437,500)

* Treasurer Projected Shortfall above assumes no market value adjustment. At 3/31, there was a positive \$216,000 adjustment.

Interest Rate Benchmarks				
US Treasury Bond Rates	12/31/2012	12/31/2013	3/31/2014	6/25/2014
Bond Term	Rate	Rate	Rate	Rate
3 Month	0.08%	0.07%	0.05%	0.03%
6 Month	0.12%	0.10%	0.07%	0.05%
1 Year	0.15%	0.13%	0.13%	0.11%
2 Year	0.27%	0.38%	0.44%	0.48%
3 Year	0.37%	0.78%	0.90%	0.92%
5 Year	0.76%	1.75%	1.73%	1.68%
7 Year	1.25%	2.45%	2.30%	2.17%

Mkt Value Adj- Portfolio Impact from Rates	-700k	+200k
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The new allocation method will result in an additional \$333k in interest allocated to departments. Last year, a total of \$212k was allocated to departments. YTD 5-31-14, \$203k has been allocated.

BROWN COUNTY INVESTMENTS
JUNE 2013 - MAY 2014

INVESTMENT BALANCES (mil)	13-Jun	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	14-Feb	Mar-14	Apr-14	May-14	12 Mo Av	Total
MANAGED INTERNAL LONG-TERM	36	36	43	47	47	48	48	50	49	53	50	51	47	558
MANAGED OUTSIDE LONG-TERM	24	24	24	24	24	24	22	22	22	21	21	21	23	273
SHORT-TERM (< 1 YEAR)	60	118	69	58	37	35	91	83	71	68	58	53	67	801
RESTRICTED FUNDS (<1 YEAR)	15	13	12	11	10	10	9	9	9	8	8	7	10	121
TOTAL INVESTMENTS (in mil)	135	191	148	140	118	117	170	164	151	150	137	132	146	1753
YIELD (ROI)														
MANAGED INTERNAL LONG-TERM	1.241%	1.233%	1.193%	1.222%	1.241%	1.259%	1.286%	1.378%	1.461%	1.483%	1.500%	1.500%		
WEIGHTED AVG	0.080%	0.080%	0.092%	0.103%	0.105%	0.108%	0.111%	0.123%	0.128%	0.141%	0.134%	0.137%	1.342%	
MANAGED OUTSIDE LONG-TERM	0.628%	1.211%	0.709%	0.000%	1.279%	-0.500%	0.795%	0.002%	0.912%	1.162%	1.267%	0.162%		
WEIGHTED AVG	0.055%	0.106%	0.062%	0.000%	0.112%	-0.044%	0.064%	0.000%	0.073%	0.089%	0.097%	0.012%	0.630%	
SHORT-TERM (< 1 YEAR)	0.321%	0.289%	0.367%	0.411%	0.489%	0.490%	0.294%	0.309%	0.387%	0.323%	0.339%	0.349%		
WEIGHTED AVG	0.024%	0.043%	0.032%	0.030%	0.023%	0.021%	0.033%	0.032%	0.034%	0.027%	0.025%	0.023%	0.347%	
RESTRICTED FUNDS (<1 YEAR)	0.230%	0.230%	0.210%	0.190%	0.190%	0.190%	0.190%	0.180%	0.180%	0.180%	0.180%	0.170%		
WEIGHTED AVG	0.029%	0.025%	0.021%	0.017%	0.016%	0.016%	0.014%	0.013%	0.013%	0.012%	0.012%	0.010%	0.197%	
PORTFOLIO YIELD	0.606%	0.573%	0.657%	0.596%	0.919%	0.579%	0.630%	0.591%	0.796%	0.877%	0.912%	0.751%		
WEIGHTED AVG	0.047%	0.062%	0.055%	0.048%	0.062%	0.039%	0.061%	0.055%	0.069%	0.075%	0.071%	0.057%	0.700%	
PROJECTED INTEREST														
MANAGED INTERNAL LONG-TERM	37,230	36,990	42,749	47,862	48,606	50,360	51,440	57,417	59,658	65,499	62,500	63,750	52,005.00	624,060
MANAGED OUTSIDE LONG-TERM	12,560	24,222	14,180	-	25,580	(10,000)	14,575	37	16,720	20,335	22,173	2,835	11,934.68	143,216
SHORT-TERM (<1 YEAR)	16,050	28,418	21,103	19,865	15,078	14,292	22,295	21,373	22,898	18,303	16,385	15,414	19,289.38	231,473
RESTRICTED FUNDS	2,875	2,492	2,100	1,742	1,583	1,583	1,425	1,350	1,350	1,200	1,200	992	1,657.64	19,892
TOTAL PROJECTED INTEREST	68,715	92,122	80,132	69,468	90,847	56,235	89,735	80,176	100,625	105,338	102,258	82,991	84,887	1,018,640